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# State of Utah Department of Commerce Division of Securities

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## NEWS RELEASE

December 17, 2007

### **Midway Real Estate Promotion Found to be Fraud**

***Cash Flow Guru took \$120,000 from investor, promising 24% “no-risk” guaranteed return ...***

**SALT LAKE CITY, Utah** – Midway-based Cash Flow Gurus, Inc. and its owner, David Rhetta Adlard, were ordered today to cease and desist from violating Utah’s securities laws. The Utah Division of Securities entered the default order after Cash Flow Gurus and Adlard failed to defend themselves in a securities fraud enforcement action filed on September 13, 2007. The order finds that Cash Flow Gurus and Adlard promised an investor that his \$120,000 would be used to develop real estate, but instead used the money for personal expenses. Adlard and his company were each fined \$150,000.

In 2006, Adlard took an investor to see multiple real estate properties in Midway, telling the investor that Adlard and Cash Flow Gurus owned the properties. Adlard promised the investor 24% return on monies invested, asserting the investment had no risk and was guaranteed. The investor initially sent \$50,000 to Cash Flow Gurus. Several months later, Adlard persuaded the investor to borrow money using equity in the investor’s home and invest an additional \$70,000.

The cease and desist order finds that Adlard engaged in fraudulent practices by using the investor’s money for personal expenses such as paying child support, state and federal tax payments, dining, groceries, and buying gas. He also falsely stated the investment had no risk and that a return of 24% was guaranteed. Additionally, Adlard failed to tell the investor that he had filed for bankruptcy in 1996 and had unpaid child support judgments entered against him.

The order finds that these misrepresentations and disclosure failures by Adlard and Cash Flow Gurus constituted securities fraud. With today’s order, the proceedings before the Division of Securities are concluded.

Separately, on October 25, 2007, criminal charges were filed against Adlard for this conduct. Those charges are still pending.

Investors are urged to contact the Division to make sure anyone offering investments is licensed. 801.530.6600, or toll free at 1.800.721.7233. [www.securities.utah.gov](http://www.securities.utah.gov).